

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

AUTOMATED BUSINESS COMPANIES

Plaintiff

v.

WEBEX COMMUNICATIONS, INC.

Defendant and Counter-Plaintiff.

Civil Action No. H-06-1032

JUDGE LAKE

JURY TRIAL DEMANDED

**WEBEX COMMUNICATIONS, INC.'S ANSWER AND COUNTERCLAIM TO
AUTOMATED BUSINESS COMPANIES' FIRST AMENDED AND
SUPPLEMENTAL COMPLAINT**

Defendant WebEx Communications Inc., ("WebEx") by and through its undersigned counsel, hereby presents its Answer, Defenses, and Counterclaim to Plaintiff Automated Business Companies' ("ABC") First Amended and Supplemental Complaint, filed June 5, 2009 (the "Amended Complaint").

ANSWER

1. PARTIES

1.1. WebEx is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 1.1 of the Amended Complaint and therefore denies them.

1.2. WebEx is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 1.2 of the Amended Complaint and therefore denies them.

1.3. WebEx admits the allegations of paragraph 1.3.

1.4. WebEx is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 1.4 of the Amended Complaint and therefore denies them.

2. JURISDICTION, VENUE AND SERVICE OF PROCESS

2.1. With respect to paragraph 2.1 of the Amended Complaint, WebEx admits that Plaintiff purports to pursue an action for patent infringement and, accordingly, this action arises under the provisions of the Patent Laws of the United States of America, Title 35, United States Code. WebEx admits that the Court has subject-matter jurisdiction over Plaintiff's claims pursuant to 28 U.S.C. § 1338(a).

2.2. With respect to paragraph 2.2 of the Amended Complaint, WebEx admits that venue is proper in the Southern District of Texas as to WebEx under 28 U.S.C. §§ 1391 (c) and 1400(b).

2.3. With respect to paragraph 2.3 of the Amended Complaint, WebEx admits that this court has personal jurisdiction over it. WebEx denies it has committed acts of infringement in this judicial district, or in any other district, which are the subject of the Amended Complaint. WebEx is without sufficient knowledge or information to either admit or deny the allegations contained in paragraph 2.3 of the Amended Complaint as they relate to any other defendant.

3. BACKGROUND OF THIS CONTROVERSY

3.1. With respect to paragraph 3.1 of the Amended Complaint, WebEx admits that, on its face, United States Patent No. 6,360,253 (the "'253 patent") identifies that it was filed on November 18, 1999 and that it identifies Charles C. Freeny as an inventor. WebEx admits that the '253 patent, on its face, identifies that it is a continuation of application no. 09/014,859 filed on January 29, 1998. WebEx admits that the '253 patent, on its face, identifies that it originally issued on March 19, 2002. WebEx denies that the '253 patent was duly and legally issued. WebEx is without sufficient knowledge or information to either admit or deny the remaining allegations contained in paragraph 3.1 of the Amended Complaint and therefore denies them.

3.2. With respect to paragraph 3.2 of the Amended Complaint, WebEx admits that U.S. Patent No. 6,999,945 (the “‘945 patent”), on its face, identifies that it originally issued on February 14, 2006. WebEx denies that the ‘945 patent was duly and legally issued.

3.3. With respect to paragraph 3.3 of the Amended Complaint, WebEx admits that U.S. Patent No. 7,016,943 (the “‘943 patent”), on its face, identifies that it originally issued on March 21, 2006. WebEx denies that the ‘943 patent was duly and legally issued.

3.4. Paragraph 3.4 of the Amended Complaint does not require WebEx to admit or deny.

3.5. WebEx is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 3.5 of the Amended Complaint and therefore denies them.

3.6. With respect to paragraph 3.6 of the Amended Complaint, WebEx admits that WebEx filed a request for reexamination at the United States Patent and Trademark Office (the “USPTO”) for the ‘253 patent, ‘945 patent, and ‘943 patent in October 2006. WebEx is without sufficient knowledge or information to either admit or deny the remaining allegations contained in paragraph 3.6 of the Amended Complaint and therefore denies them.

3.7. With respect to paragraph 3.7 of the Amended Complaint, WebEx admits that the USPTO Examiner finally rejected claims 1 and 2 of the ‘945 patent, and Plaintiff cancelled such claims in response thereto. WebEx admits that claims 3-5 remain in the ‘945 patent. WebEx denies the remaining allegations contained in paragraph 3.7.

3.8. With respect to paragraph 3.8 of the Amended Complaint, WebEx denies the allegations contained in paragraph 3.8 of the Amended Complaint.

3.9. With respect to paragraph 3.9 of the Amended Complaint, WebEx denies the allegations contained in paragraph 3.9 of the Amended Complaint.

3.10. With respect to paragraph 3.10 of the Amended Complaint, WebEx denies the allegations contained in paragraph 3.10 of the Amended Complaint as to WebEx. WebEx is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 3.10 of the Amended Complaint as to other Defendants and therefore denies them.

4. CAUSES OF ACTION

4.1. With respect to paragraph 4.1 of the Amended Complaint, WebEx incorporates by reference its responses to paragraphs 3.1-3.10 of the Amended Complaint.

4.2. With respect to paragraph 4.2 of the Amended Complaint, WebEx denies the allegations contained in paragraph 4.2 of the Amended Complaint as to WebEx. WebEx is without sufficient knowledge or information to admit or deny the allegations contained in paragraph 4.2 of the Amended Complaint as they relate to any other defendant and therefore denies them.

4.3. With respect to paragraph 4.3 of the Amended Complaint, WebEx denies the allegations contained in paragraph 4.3 of the Amended Complaint as to WebEx. WebEx has served non-infringement contentions on Plaintiff (WebEx's Claim Charts served on April 13 and WebEx's Supplemental Claim Charts served on June 26, 2009), which are incorporated by reference. WebEx is without sufficient knowledge or information to admit or deny the allegations contained in paragraph 4.3 of the Amended Complaint as they relate to any other defendant and therefore denies them.

4.4. With respect to paragraph 4.4 of the Amended Complaint, WebEx denies the allegations contained in paragraph 4.4 of the Amended Complaint as to WebEx. WebEx is without sufficient knowledge or information to admit or deny the allegations contained in paragraph 4.4 of the Amended Complaint as they relate to any other defendant and therefore

denies them.

4.5. With respect to paragraph 4.5 of the Amended Complaint, WebEx denies the allegations contained in paragraph 4.5 of the Amended Complaint as to WebEx. WebEx is without sufficient knowledge or information to admit or deny the allegations contained in paragraph 4.5 of the Amended Complaint as they relate to any other defendant and therefore denies them.

4.6. With respect to paragraph 4.6 of the Amended Complaint, WebEx denies the allegations contained in paragraph 4.6 of the Amended Complaint as to WebEx. WebEx is without sufficient knowledge or information to admit or deny the allegations contained in paragraph 4.6 of the Amended Complaint as they relate to any other defendant and therefore denies them.

5. Relief Requested

WebEx denies any and all allegations contained in the Prayer for Relief of the Amended Complaint and denies that Plaintiff is entitled to any of the relief requested in paragraphs (a) through (f) of Plaintiff's Prayer for Relief or to any relief in any form whatsoever from WebEx. WebEx further denies each and every allegation in the Amended Complaint to which it has not specifically responded.

6. Jury Demand

WebEx admits that Plaintiff has requested a trial by jury.

7. DEFENSES AND AFFIRMATIVE DEFENSES

First Defense

7.1.1. WebEx has not willfully or otherwise infringed, contributed to the infringement of, or actively induced others to infringe any valid and enforceable claim of the '253 patent, either directly or indirectly, either literally or under the doctrine of equivalents. WebEx also does not willfully or otherwise infringe, contribute to the infringement of, or actively induce others to infringe any valid and enforceable claim of the '253 patent, either directly or indirectly, either literally or under the doctrine of equivalents. WebEx has served non-infringement contentions, including supplemental contentions, on Plaintiff, which are incorporated by reference, and will be filing expert reports as directed by the Court.

Second Defense

7.1.2. WebEx has not willfully or otherwise infringed, contributed to the infringement of, or actively induced others to infringe any valid and enforceable claim of the '945 patent, either directly or indirectly, either literally or under the doctrine of equivalents. WebEx also does not willfully or otherwise infringe, contribute to the infringement of, or actively induce others to infringe any valid and enforceable claim of the '945 patent, either directly or indirectly, either literally or under the doctrine of equivalents. WebEx has served non-infringement contentions on Plaintiff, which are incorporated by reference. WebEx has served non-infringement contentions, including supplemental contentions, on Plaintiff, which are incorporated by reference, and will be filing expert reports as directed by the Court.

Third Defense

7.1.3. WebEx has not willfully or otherwise infringed, contributed to the infringement of, or actively induced others to infringe any valid and enforceable claim of the '943 patent,

either directly or indirectly, either literally or under the doctrine of equivalents. WebEx also does not willfully or otherwise infringe, contribute to the infringement of, or actively induce others to infringe any valid and enforceable claim of the '943 patent, either directly or indirectly, either literally or under the doctrine of equivalents. WebEx has served non-infringement contentions, including supplemental contentions, on Plaintiff, which are incorporated by reference, and will be filing expert reports as directed by the Court.

Fourth Defense

7.1.4. On information and belief, the '253 Patent is invalid under one or more of the provisions in Title 35 of the United States Code, including, without limitation, 35 U.S.C. §§ 101, 102, 103, 112, and/or 132(a). WebEx has served invalidity contentions on Plaintiff, which are incorporated by reference, and will be filing expert reports as directed by the Court. In addition, as an example, the original application lacked a written description of the alleged invention of claim 16 because the original application did not describe an invention limited to a remote portion of a split personal computer system. As a further example, the introduction of claim 16 violated the prohibition against new matter.

Fifth Defense

7.1.5. On information and belief, the '945 Patent is invalid under one or more of the provisions in Title 35 of the United States Code, including, without limitation, 35 U.S.C. §§ 101, 102, 103, 112, and/or 132(a). WebEx has served invalidity contentions on Plaintiff, which are incorporated by reference, and will be filing expert reports as directed by the Court. In addition, as an example, the original application lacked a written description of the alleged invention of claim 1 because the original application did not disclose a website. As a further example, the introduction of website into the language of claim 1 violated the prohibition against new matter.

Sixth Defense

7.1.6. On information and belief, the '943 Patent is invalid under one or more of the provisions in Title 35 of the United States Code, including, without limitation, 35 U.S.C. §§ 101, 102, 103, 112, and/or 132(a). WebEx has served invalidity contentions on Plaintiff, which are incorporated by reference, and will be filing expert reports as directed by the Court. In addition, as an example, the original application lacked a written description of the alleged invention of claim 1 because the original application did not disclose establishing a remote system controller on the internet. As a further example, the introduction of the remote system controller on the internet into the language of claim 1 violated the prohibition against new matter.

Seventh Defense

7.1.7. On information and belief, all or some of ABC's claims for relief are barred in whole or in part by the doctrines of estoppel and/or laches.

Eighth Defense

7.1.8. On information and belief, some or all of ABC's damages, if any, are limited under 35 U.S.C. §§ 287 and 288.

Ninth Defense

7.1.9. On information and belief, some or all of ABC's damages, if any, are limited under 35 U.S.C. §§ 287(a) as a result of ABC's and/or its licensees' failure to mark.

Tenth Defense

7.1.10. The Amended Complaint fails to state a claim upon which relief can be granted.

Eleventh Defense

7.1.11. To the extent that Plaintiff asserts claims and/or requests damages for alleged

infringement of the '253 patent and '943 patent before the USPTO issues a reexamination certificate for such patents, such claims and relief are barred by the doctrine of intervening rights, 35 U.S.C. § 252.

Twelfth Defense

7.1.12. WebEx has not engaged in any conduct that entitles Plaintiff to attorneys' fees or costs.

Thirteenth Defense

7.1.13. The '253 patent, the '945 patent, and the '943 patent ("the patents-in-suit") are unenforceable due to inequitable conduct of Applicant and/or his patent attorneys and/or others substantively involved in prosecution before the United States Patent & Trademark Office (the "Patent Office").

7.1.14. On September 30, 1999, ABC filed the patent application that later issued as the '945 Patent (the "'945 Patent Application"). On September 30, 1999, ABC filed a "sister" application to the '945 Patent Application, which was assigned Application Serial Number 09/408,859 (the "'859 Application"). And on September 23, 2002, ABC filed another "sister" application to the '945 Patent Application, which later issued as the '943 Patent (the "'943 Patent Application"). Each of the '943 Patent, the '945 Patent, and the '859 Applications — claims priority back to the same parent patent, U.S. Patent No. 6,243,743 (the "'743 Parent Patent").

7.1.15. The USPTO is divided into "Art Units," each of which handles examination of patent applications within that Art Unit's particular technical area. The Patent Office assigned the '945 Patent Application to a Patent Examiner in Art Unit 3621, and assigned the sister '943 and '859 Applications to another examiner in a different Art Unit, number 2157. The Patent Examiner who ultimately issued the '945 Patent was Christine Sherr. The Patent Examiner who

ultimately issued the '943 Patent was Saleh Najjar.

7.1.16. By September 23, 2002, ABC had received Office Actions in both the '945 and '859 Patent Applications. When ABC responded to the Office Action for the '945 Patent Application, it disclosed to the '945 Patent Examiner that the Examiner in the sister '859 Patent Application (Examiner Najjar) had rejected the claims of that sister application. ABC did this because it thought the '945 Patent Examiner might consider Examiner Najjar's rejection of the sister '859 Application important to the patentability of the '945 Patent Application.

7.1.17. Part of ABC's patent strategy was to examine products that were being offered by the industry after ABC had filed its patent applications. After learning about products that had been introduced since ABC filed its applications, ABC would try to add patent claims or change its patent claims to more closely cover those new products.

7.1.18. During the prosecution of its applications, ABC was aware of the WebEx "PCNow" product that currently stands accused of infringement. As of June 23, 2004, ABC was aware that Citrix had been using a "web-based" remote control product.

7.1.19. The originally-filed specification and claims of the '945 Patent Application did not include the term "website." On July 6, 2004, ABC added new claims to the '945 Patent Application that introduced the term "website" into the '945 Patent Application for the first time.

7.1.20. On July 6, 2004, ABC made a priority claim in the '945 Patent Application to the '743 Parent Patent. The '743 Patent shares the same disclosure as the sister '943 Patent Application.

7.1.21. Mr. Marc A. Brockhaus is the attorney who wrote each of the three patents-in-suit, and he is the person most knowledgeable about the original prosecution of these cases.

7.1.22. At the time Mr. Brockhaus made the priority claim in the '945 Patent Application

to the '743 Parent Patent, Mr. Brockhaus believed that the "website" claims were supported by the original disclosure of the '743 and '943 Patents.

7.1.23. ABC argued to the Patent Office in its July 6, 2004 Amendment that the new "website" claims of the '945 Patent dated back to 1998, the filing date of the '743 Patent.

7.1.24. The originally-filed specification and claims of the '943 Patent Application did not include the term "website." On October 14, 2004, ABC added claims to the '943 Patent Application that included the term "website."

7.1.25. The Patent Examiner for the '943 Patent Application (Examiner Najjar) rejected the claims added on October 14, 2004 to the '943 Patent Application (Claims 45-47). Examiner Najjar stated that "The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. There is no disclosure in the specification of establishing a remote system controller as a website on an internet."

7.1.26. On January 5, 2005, ABC responded to Examiner Najjar's rejection of claims 45-47 by canceling claim 45 and by removing the term "website" from claims 46 and 47. In that same January 5, 2005 Amendment, ABC disclosed to Examiner Najjar (the '943 Examiner) the existence of the "sister" '945 Patent and a claim rejection that Examiner Sherr (the '945 Examiner) had made in that case on October 20, 2004.

7.1.27. The Manual of Patent Examining Procedures is provided by the Patent Office and serves as a guide for examination of patents. The Manual of Patent Examining Procedure in effect as of January 2005 stated in Section 2001.06(b), in part, that "The individuals covered by 37 CFR 1.56 have a duty to bring to the attention of the examiner, or other Office official involved with the examination of a particular application, information within their knowledge as

to other copending United States applications which are “material to patentability” of the application in question.” Mr. Brockhaus was aware of this duty as of January 2005.

7.1.28. On January 5, 2005, Mr. Brockhaus disclosed Examiner Sherr’s rejection from the ‘945 case to Examiner Najjar in the ‘943 case in part because the claims in the ‘945 and ‘943 Patent Applications were “similar.” Mr. Brockhaus believed at that time that Examiner Najjar would find Examiner Sherr’s rejection of the similar ‘945 claims important to the patentability of the ‘943 claims.

7.1.29. Mr. Brockhaus disclosed the rejection from the ‘945 Patent Application to the ‘943 Examiner to satisfy his duty of candor to the Patent Office.

7.1.30. On April 20, 2005, ABC filed its Response to Examiner Sherr’s October 20, 2004 claim rejections in the ‘945 Patent Application — the same claim rejections that ABC had cross-cited to the ‘943 Examiner (Examiner Najjar) on January 2005. In that Response, ABC added new claims to the ‘945 Patent Application, which included the term “website.”

7.1.31. In the April 20, 2005 Response at page 6, ABC referenced a “terminal disclaimer disclaiming the terminal portion of any patent issuing from the [‘945 Patent Application] that would extend beyond the term of U.S. Patent No. 6,360,253.” ABC’s April 20, 2005 Response, however, did not disclose any information about the ‘943 Patent Application.

7.1.32. The terminal disclaimer referenced in the April 20, 2005 Response included references to the serial number of the ‘943 Patent Application.

7.1.33. Mr. Brockhaus signed both the April 20, 2005 Terminal Disclaimer in the ‘945 Patent Application and the April 20, 2005 Response in the ‘945 Patent Application.

7.1.34. ABC also submitted to the Patent Office on April 20, 2005, a Fifth Supplemental Information Disclosure Statement. The Fifth Supplemental Information Disclosure Statement

does not disclose the '943 Patent Application.

7.1.35. Before the '945 Patent issued, ABC never disclosed to the Patent Examiner responsible for examining the '945 Patent Application that claims containing the term "website" had been rejected in the sister '943 Patent Application.

7.1.36. ABC never disclosed to the Patent Examiner responsible for examining the '945 Patent Application or the '945 Patent in reexamination that claims containing the term "website" had been rejected in the sister '943 Patent Application.

7.1.37. Mr. Brockhaus does not know why he did not disclose Examiner Najjar's December 1, 2004 rejection of the claims in the '943 Patent Application to the Patent Examiner responsible for the '945 Patent Application.

7.1.38. Mr. Brockhaus may have had discussions with others about whether he should cross-cite one Freeny patent to another Freeny Patent.

7.1.39. Mr. Brockhaus agrees that Examiner Sherr might have been helped to recognize the issue of whether the term "website" had adequate support in the '945 Patent's specification if he had disclosed to Examiner Sherr the rejections that Examiner Najjar had made in the '943 Patent Application.

7.1.40. Mr. Brockhaus agrees that "out of an abundance of caution, it would have been better if [Examiner Najjar's rejection] had been brought to [Examiner Sherr's] attention in this document."

7.1.41. Ultimately, the '945 Patent issued with the term "website" in its claims and without Examiner Sherr ever raising the issue of whether the '945 Patent's specification or the '743 Patent's specification supported the term "website."

7.1.42. Examiner Najjar's December 1, 2004 rejection of Application Claims 45-47 in the

'943 Patent Application was material to the patentability of the claims of the '945 Patent because one or more of Application Claims 45-47 of the '943 Patent Application were substantially similar to one or more of Application Claims 22 and 30 of the '945 Patent Application.

7.1.43. Examiner Najjar's December 1, 2004 rejection of Application Claims 45-47 in the '943 Patent Application was material to the patentability of the claims of the '945 Patent because Examiner Sherr would have considered that claim rejection important in deciding whether to allow the '945 Patent Application to issue as a patent.

7.1.44. Examiner Najjar's December 1, 2004 rejection of Application Claims 45-47 in the '943 Patent Application was material to the patentability of the claims of the '945 Patent because that rejection contradicts arguments ABC made for patentability of the '945 Patent Application, including the argument that the '945 Patent Application Claims were entitled to priority of the '743 Parent Patent.

7.1.45. ABC's attorneys and those substantively involved in prosecution appreciated the high materiality of Examiner Najjar's December 1, 2004 rejection, understood their duty to disclose that information to Examiner Sherr, were contemporaneously working on both the '943 Patent Application and the '945 Patent Application, and withheld Examiner Najjar's rejection from Examiner Sherr with an intent to deceive the USPTO.

7.1.46. Canadian Patent Application Serial Number 2,385,772 (the Canadian '772 Application) claims priority to the '945 Patent Application.

7.1.47. The Canadian '772 Application has the same specification as the '945 Patent.

7.1.48. After the issuance of the '945 Patent in the United States, ABC submitted to the Canadian Patent Office in the Canadian '772 Application a claim (Canadian Claim 18) that was identical to issued Claim 1 of the '945 Patent.

7.1.49. The Canadian Patent Office refused to examine Canadian Claim 18 because the Canadian Patent Office believed that the term “website” added new subject matter to the original disclosure.

7.1.50. ABC responded to the Canadian Patent Office on August 15, 2007 by pointing to language in the specification that it contended supports the claim term “website” in Canadian Claim 18. That language included references to “web browsers” and the “internet.”

7.1.51. On March 8, 2008, the Canadian Patent Office responded to ABC’s arguments stating *inter alia*: “[T]here isn’t even a single occurrence of the word ‘website’ in the entire originally filed application. It is impossible to infer the steps provided in the amended matter when all of the steps are related to an object (website) that is not mentioned in the original application. The applicant suggested that a person skilled in the art would regard the word “internet” as an equivalent to the word “website.” However, the two words have significantly different meaning.”

7.1.52. ABC’s response to the March 8, 2008 Canadian Patent Office Report in the Canadian ‘772 Application on September 8, 2008 included removing the term “website” from the claims of that application.

7.1.53. From June 20, 2006 when ABC added Canadian Claim 18 to the Canadian ‘772 Application through at least October, 2008, the USPTO was reexamining Claim 1 of the ‘945 Patent. On October 3, 2008, the United States Patent and Trademark Office issued an Office Action in the Reexamination of the ‘945 Patent. That Office Action stated, in part, “The Examiner notes, as has been stated above in the background in this Office Action as well as the previous Action, that the “website” limitations in e.g. the instant claim 1 are not supported by the specification of the Patent under reexamination. Indeed there is no description in the

specification of any website, nor any description of how a website is utilized to perform any of the steps recited in the claims.”

7.1.54. ABC responded to the October 3, 2008 Office Action in the reexamination of the ‘945 Patent, in part, by identifying to the USPTO the same substantive disclosure it had identified to the Canadian Patent Office on August 15, 2007 and arguing that the term “website” was supported by the ‘945 Patent’s specification.

7.1.55. ABC has never disclosed to the USPTO the existence of the Canadian ‘772 Application.

7.1.56. ABC has never disclosed to the USPTO the Canadian Patent Office’s statements in its Report dated March 6, 2008 in the Canadian ‘772 Application (and bates labeled DC031485 - DC031486).

7.1.57. During the reexamination of the ‘945 Patent, ABC submitted a sworn declaration of Dr. Alan Jones, Ph.D., a purported expert in computer science and ABC adopted Dr. Jones’ declaration as support for its argument that prior art disclosing a “web browser using hot links” failed to disclose ABC’s claimed “website.” In particular, ABC and Dr. Jones stated “As one skilled in the art will appreciate, the use of ‘hot links’ from a *web browser does not imply the use of a website* as it can also relate to the use of protocols such as FTP, RTSP, or RTMP.”

7.1.58. In contradiction to the statement quoted in Paragraph 56 of this document, ABC stated in its September 8, 2008 Amendment/Remarks After Examiner’s Report for the Canadian ‘772 Application that, “[T]he *use of a browser*, as an example in the specification *clearly indicates that the browser is utilizing web protocols to interact with a website . . .*”

7.1.59. Doug Sorocco was involved in the original prosecution and reexamination of the ‘945 Patent. Mr. Sorocco also was involved in the prosecution of the Canadian ‘772

Application.

7.1.60. Laura Wood was involved in the reexamination of the '945 Patent. Ms. Wood also was involved in the prosecution of the Canadian '772 Application.

7.1.61. ABC intentionally withheld from the USPTO information concerning the Canadian Patent Application Serial No. 2,385,772.

7.1.62. The Canadian Patent Office's Reports and ABC's submissions regarding Canadian Patent Application Serial Number 2,385,772 were material to the patentability of the claims of the '945 Patent because Canadian Application Claims 18 was substantially similar to issued Claim 1 of the '945 Patent, because the USPTO would have considered that information important in deciding whether to confirm the claims of the '945 Patent, because the Canadian Patent Office's rejection of ABC's arguments regarding alleged support in its specification for the term "website" directly contradict the statements ABC made to the USPTO during the reexamination of the '945 Patent, and because the ABC's September 8, 2008 statements to the Canadian Patent Office directly contradict the statements it made to the USPTO on November 26, 2008 in support of patentability of the claims of the '945 Patent through its expert Alan Jones.

7.1.63. ABC's attorneys and those substantively involved in reexamination of the '945 Patent and the prosecution of the Canadian Patent Application Serial Number 2,385,772 (the "two proceedings") made directly contradictory statements in the two proceedings and intentionally withheld the information regarding the Canadian proceedings from the USPTO. Given the directly contradictory nature of the information and the responsible attorneys' direct knowledge of all statements, this intentional withholding was done with the intent to deceive the USPTO.

7.1.64. Charles C. Freeny, Jr. (“Mr. Freeny”) is the single named inventor on the face of each of the patents in suit. On August 12, 2002, Mr. Freeny sent a letter Skip Coddling, informing Mr. Coddling that two of his sons had been “mistakenly omitted” as named inventors on the three patents-in-suit.

7.1.65. Mr. Freeny’s letter provided detailed instructions for adding different combinations of inventors to different ones of his many patents and pending patent applications.

7.1.66. Skip Coddling, a named partner of Dunlop and Coddling who is more experienced at determining inventorship than Mr. Brockhaus, spoke with Mr. Freeny about Mr. Freeny’s collaboration with his sons on these inventions. As a result of that discussion, Mr. Coddling instructed Mr. Brockhaus to prepare all necessary papers to correct the inventorship mistakes.

7.1.67. Between August 2002 and January 2003, Mr. Brockhaus prepared paperwork to correct the inventorship mistakes identified in Mr. Freeny’s August 22, 2002 letter, including an assignment of rights from Mr. Freeny’s sons to ABC for the patents-in-suit, declarations by Mr. Freeny and his sons, and a petition to the USPTO to change the inventorship on the patents-in-suit. Mr. Freeny and his sons signed all of this paperwork, including the assignment of rights in the patents-in-suit.

7.1.68. ABC has diligently searched for, but cannot locate any of the signed documents related to correction of inventorship on the Freeny Patents.

7.1.69. At the time Mr. Brockhaus was preparing the paperwork to correct inventorship on the Freeny Patents, he understood that if Mr. Freeny had originally conceived of inventions on his own, and then developed improvements on those inventions with his sons, that his original work could be used as prior art against his later improvements.

7.1.70. Mr. Brockhaus intentionally did not inform the USPTO that Mr. Freeny believed

the identifications of inventors on the patents-in-suit and other Freeny Patents were incorrect.

7.1.71. Mr. Brockhaus claims to have discussed the inventorship issue with Mr. Freeny's sons, but cannot recall when these conversations happened, the details of the conversation, or what parts of the patent he discussed with the Freeny sons. Mr. Brockhaus knows, however, that he did not go through the patents line by line to determine whether the Freeny sons had contributed any subject matter.

7.1.72. Mr. Brockhaus never asked Mr. Freeny what he believed his sons had contributed to the inventions claimed in the Freeny Patents.

7.1.73. Only Mr. Coddling had spoken to Mr. Freeny about what Mr. Freeny's sons had contributed to each invention. After doing so, Mr. Coddling instructed preparation of the paperwork to correct the inventorship.

7.1.74. On information and belief, Charles Freeny, Jr. is not the sole inventor of the inventions claimed in the patents and applications listed in Mr. Freeny's August 22, 2002 letter to Skip Coddling.

7.1.75. Mr. Freeny's statements regarding the true inventorship of the patents-in-suit are highly material because they are information that a reasonable examiner would consider important in deciding whether to allow the applications to issue as the patents in suit or to allow the patents to be confirmed in reexamination. The information also is material because it would directly contradict statements ABC made for patentability, including that the inventive entities on all Freeny Patents were the same, thus precluding Mr. Freeny's own work from being used as prior art against Mr. Freeny.

7.1.76. On information and belief, those substantively involved in the prosecution of the patents-in-suit were aware during the original prosecution and/or the reexamination of the

patents-in-suit that Charles Freeny, Jr. is not the sole inventor of the inventions claimed in the patents-in-suit and intentionally withheld that information and Mr. Freeny's statements regarding inventorship from the USPTO with the intent to deceive the USPTO.

PRAYER

WHEREFORE, WebEx prays for judgment that:

1. ABC be denied all relief requested in its Amended Complaint and take nothing;
2. Judgment be entered that WebEx has not infringed, directly or indirectly, any valid or enforceable claim of the '253, '945, or '943 Patents as properly construed, literally or under the doctrine of equivalents;
3. Judgment be entered that the '253, '945, or '943 Patents are invalid;
4. Judgment be entered that the '253, '945, or '943 Patents are unenforceable;
5. That this Court find that this is an exceptional case and award WebEx its attorneys' fees pursuant to 35 U.S.C. § 285 or otherwise;
6. WebEx be awarded its costs and attorneys' fees; and
7. WebEx be awarded such other and further relief as the Court deems just and proper.
8. WebEx reserves the right to ask the Court to declare this case exceptional if it is determined that ABC has brought or maintained the instant action without an adequate pre-filing investigation as to the basis or the sustainability of its claims as filed, or has engaged in patent misuse or anti-competitive conduct, or has engaged in objectively unreasonable,

oppressive, vexatious, dilatory, or otherwise inappropriate conduct in conjunction with this action, discovery herein, or its overall course of conduct with respect to the '253, '945, or '943 Patent.

COUNTERCLAIMS

1. WebEx brings the following counterclaims against Plaintiff Automated Business Companies (“ABC”):

2. WebEx realleges and incorporates by reference the allegations of its Answer and Affirmative Defenses to the Amended Complaint.

THE PARTIES

3. WebEx is a Delaware corporation.

4. Plaintiff ABC is a Texas corporation.

JURISDICTION AND VENUE

5. This is an action for a declaration that each and every claim of United States Patent No. 6,360,253 (the “‘253 patent”), United States Patent No. 6,999,945 (the “‘945 patent”), and United States Patent No. 7,016,943 (the “‘943 patent”) is unenforceable pursuant to the Patent Laws of the United States, 35 U.S.C. § 101, *et seq.* Accordingly, subject matter jurisdiction of this Court exists under the Federal Declaratory Judgment Act, Title 28, United States Code §§ 2201 and 2202, and under Title 28, United States Code §§ 1331 and 1338(a).

6. An actual, substantial and continuing justiciable controversy exists between WebEx and Plaintiff with respect to which WebEx requires a declaration of its rights by this Court. Specifically, the controversy relates to the unenforceability of the ‘253 patent, the ‘945 patent, and the ‘943 patent and to Plaintiff’s right to threaten and/or maintain a suit against WebEx for alleged infringement of the ‘253 patent, the ‘945 patent, and the ‘943 patent.

7. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391(b), (c) and 1400(b).

**DECLARATORY JUDGMENT OF UNENFORCEABILITY
OF THE '253 PATENT, THE '945 PATENT, AND THE '943 PATENT**

8. WebEx realleges and incorporates by reference the allegations of paragraphs 1-7 as though fully set forth herein.

9. This is an action for declaratory judgment under 28 U.S.C. §§ 2201, 2202 and Title 35 of the United States Code.

10. By the Amended Complaint in this lawsuit, Plaintiff has alleged that it is the owner of the '253 patent, the '945 patent, and the '943 patent. Plaintiff has further alleged that WebEx has and is infringing directly, by inducing or contributing to the infringement, and/or infringing by equivalents claim 16 of the '253 patent, claims 3-5 of the '945 patent, and claims 1 and 2 of the '943 patent, that such alleged infringement is willful and has thereby damaged Plaintiff and will continue to damage Plaintiff.

11. WebEx's activities have not infringed, contributed to the infringement of, induced others to infringe, infringed by equivalents, or willfully infringed, and do not infringe, contribute to the infringement of, induce others to infringe, infringe by equivalents, or willfully infringe any valid and enforceable claim of the '253 patent, the '945 patent, and the '943 patent, either directly or indirectly, either literally or under the doctrine of equivalents.

12. The '253 patent, the '945 patent, and the '943 patent are unenforceable due to inequitable conduct of applicant and/or his patent attorneys and/or others substantively involved in prosecution before the United States Patent & Trademark Office (the "Patent Office"). WebEx incorporates by reference the facts alleged in paragraphs 7.1.13 - 7.1.76 supporting this claim.

13. There is an actual controversy, within the meaning of 28 U.S.C. §§ 2201 and 2202, between WebEx and Plaintiff as to whether there exists any enforceable claim of the '253 patent, the '945 patent, and the '943 patent.

14. WebEx requests a judicial determination and declaration of the respective rights and duties of the parties on the disputes recited in paragraphs 8-13 above. Such a determination and declaration are necessary and appropriate at this time so that the parties may ascertain their respective rights and duties in this regard.

PRAYER FOR RELIEF

WebEx prays for judgment as follows:

A. That this Court fully and finally dismiss Plaintiff's claims against WebEx and order that Plaintiff take nothing from WebEx;

B. That this Court find that the '253 patent, the '945 patent, and the '943 patent are unenforceable pursuant to Title 35 of the United States Code;

C. That this Court issue a declaration that the claims of the '253 patent, the '945 patent, and the '943 patent are unenforceable;

D. That this Court award WebEx all of its costs of this action;

E. That this Court find that this is an exceptional case and award WebEx its attorneys' fees pursuant to 35 U.S.C. § 285 or otherwise; and

F. That this Court grant WebEx such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED AS TO ALL ELEMENTS SO TRIABLE

Respectfully submitted,

/s/ Brian J. Gaffney

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**ATTORNEYS FOR WEBEX
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 26, 2009, a copy of the WEBEX COMMUNICATIONS, INC.'S ANSWER AND COUNTERCLAIM TO AUTOMATED BUSINESS COMPANIES' FIRST AMENDED AND SUPPLEMENTAL COMPLAINT was served electronically, via CM/ECF, on all counsel of record below who are deemed to have consented to such service under the Court's local rules. Any other counsel of record will be served via certified mail, return receipt requested.

/s/ Brian J. Gaffney
Brian J. Gaffney